

June 24, 2011

Delta Stewardship Council
980 Ninth Street, Suite 1500
Sacramento, CA 95814

Re: Delta Plan – Fourth Draft

Dear Chairman Isenberg and Council Members:

On behalf of the Sacramento Area Council of Governments, representing the counties of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba and their 22 cities, we provide the following thoughts about the Fourth Draft of the Delta Plan (“the Plan”) and how the Sacramento region is responding to the needs of the Delta.

Our region’s interests and history with the Delta is longstanding. Beyond having several communities within the legal Delta, our entire region has economic, recreational and historic connections to the Delta. We have made significant progress in minimizing our impact on the Delta through infrastructure investments and good planning that limit urban expansion, reduce urban water demand, and enhance agriculture and ecosystems in and around the Delta. We are concerned that the Plan will inhibit our ability to implement our plans and restrict our region’s economic development. We have several overriding concerns with the Plan:

- Scope of the Delta Plan is confusing within the current draft
- Flow criteria may unbalance coequal goals and inhibit projects
- Financing and plan costs are burdensome
- Agriculture in the Delta should be encouraged
- Undermines significant plans and actions in the Sacramento region that help meet the coequal goals

Scope of the Delta Plan is confusing within the current draft

We are concerned that the map of the Delta Plan study area—showing 96 percent of the state’s population in the study area—and references to the Delta watershed throughout the Plan extend the impression that the Delta Stewardship Council (“Council”) is examining issues outside of the Delta. The statutory definition of covered actions is clear, and we suggest you delete references to the Delta watershed and clarify that the Council’s authority does not extend to these areas. Furthermore, clarification is needed on what land use actions in the statutory Delta would be considered a covered action. Chapter 3 of the Plan states that “an addition to a house in the Delta would *likely* not be a covered action,” which clouds the definition of a covered action, especially if ministerial actions are exempt.

Flow criteria may unbalance coequal goals and inhibit projects

The executive summary of the Plan notes, “until updated flow criteria are established to protect the Delta ecosystem, it is impossible to determine reliable levels of urban and agricultural water supply available from the Delta.” This flow-centric approach in the Plan, in which only surplus water would be available for urban and agricultural use, may be directly at odds with the coequal goals of “providing more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem.” The emphasis on flow for ecosystem purposes creates a potential imbalance in achieving the coequal goals; therefore a comprehensive plan for achieving these goals is needed.

It is challenging to anticipate the impacts of the Plan without flow criteria adopted by the State Water Resources Control Board. In the interim, particularly before the June 30, 2013 flow criteria target, stakeholders in the Sacramento region could find it difficult, if not impossible, to plan and implement needed projects without knowing whether such projects are consistent with the Plan. Land use and economic development plans could be limited by future criteria, thereby creating indirect regulations on these plans. Water supply reliability and quality are as critical for the Sacramento region as the rest of the state. As you refine the Plan, assumptions for flow criteria should not be at the expense of regional economies, including agricultural users, residents of the Delta, and neighboring communities.

Financing and plan costs are burdensome

The Plan’s financing chapter retains proposals for the Legislature to authorize the Council to “develop” fees to support the operations of the Council, the Delta Conservancy and the Delta Protection Commission, estimating those agencies’ costs at \$50 million a year. The Plan also continues the proposal for a public goods charge on water, essentially a second diversion fee. The addition of a “Water Reliability Element” to urban and agricultural water management plans, including an analysis of “the long-term sustainability of the water supplies available to meet projected demands within the supplier’s hydrologic region appears to require costly analysis of the whole hydrologic region. These fees and requirements would impose time and financial burdens to water suppliers and ratepayers in our region, but provide no direct benefit for those costs.

Agriculture in the Delta should be encouraged

The Plan continues to overlook the need for regulatory flexibility for agricultural economic development, an essential component of sustaining rural economies consistent with “Delta as an evolving place” objectives and SACOG’s objectives. The Plan lacks any discussion of the tradeoffs inherent in ecosystem restoration, including potential impacts on agriculture and related economic impacts. There is also no recognition that habitat and agriculture can be compatible uses. The Plan does not provide flexibility for agricultural infrastructure or other necessary agricultural economic development from the requirement to demonstrate that a covered action has substantially minimized the adverse impacts on “the opportunity for habitat restoration.” The

Plan also provides no flexibility for agricultural economic development, including infrastructure, in the requirements to avoid encroachment on floodplains. These policies fail to recognize that agriculture provides ecosystem and flood protection benefits, and that a healthy rural economy is a critical part of encouraging responsible land use planning consistent with the Sacramento region's Blueprint.

Chapter 8 of the Plan provides good recommendations and measures for the Delta as an evolving place, but the outcome performance measures undermine the value of agriculture in the Delta by setting maintenance, rather than growth, as the goal. We propose that recognition of compatible uses and flexibility for agriculture be incorporated into the Plan to promote the viability of agriculture. The Plan should also encourage a thorough evaluation of the impacts, including economic impacts, and support efforts to identify potential compensation mechanisms. We further suggest you add a recommendation that supports local Agricultural District programs.

Innovative regional approaches

As your staff pointed out in the introduction to the Plan, Californians have a long history of solving problems, and the Sacramento region is leading that innovation. Through urban and rural land use planning, water resource planning, and environmental stewardship efforts, the Sacramento region has become a model for the state and the nation for comprehensive and collaborative planning. We have been working hard to reduce our impacts on the Delta and those efforts could be hampered if the Delta Plan adds more layers of oversight and regulations.

Starting in the 1990s with the Water Forum, our region has come together to solve water resource issues. In the Water Forum, parties agreed on coequal objectives to achieve collective changed behavior as this region continues to grow, in order to protect the environment. Per capita water use has declined, even as our region continues to grow. Our region has also adopted five Integrated Regional Water Management Plans covering our entire geography, and we are currently working to update them. Water interests are working more closely with SACOG and other long-range planning agencies to better coordinate, particularly as more environmental issues and the possible effects of climate change enter into the planning equation. Our region is serious about self-reliance and protecting the environment and is making improvements on both fronts.

In 2004, SACOG adopted the Blueprint Transportation and Land Use Study (www.sacregionblueprint.org). The Blueprint significantly reduces the future footprint of urban development in the region, requiring over 300 square miles less land by 2050 than our prior, low-density development pattern. The compact development pattern reduces municipal water use an average of 30 percent per dwelling unit. It also provides water quality benefits through significantly reduced impervious surfaces. The 300 square miles that will not be urbanized make it possible to better protect riparian corridors, vernal pools, wetlands and some of the world's most productive agricultural land. As a region that is part of the Delta, we believe these results directly support the objectives of the Delta Plan.

Since 2008, we have been working on the Rural-Urban Connections Strategy (www.sacog.org/rucs), which is an environmental and economic sustainability plan for the rural parts of our region. Agriculture is a significant part of our region's economy and it provides a number of ecosystem benefits. We are working with public and private stakeholders to encourage innovations that help the agricultural sector, including best practices for agricultural water management. Water supply reliability and our ability to maintain and expand agricultural infrastructure is essential to enhancing the viability of agriculture and rural economies. Given that viable agricultural land is far less susceptible to urban development, we view this objective as a critical part of our region's long-term sustainability and a key factor in reducing impacts on the Delta.

The Rural-Urban Connections Strategy is developing programs to preserve and enhance rural land uses. The farmers' need for a reliable, affordable water supply is a critical component of their economic equation. The Blueprint and the Rural-Urban Connections Strategy clearly are consistent with the goals of economic and environmental health. The Delta Plan should build on this nation-leading planning and action, not undermine it.

Our most recent innovative planning project builds on the Blueprint and the Rural-Urban Connections Strategy and is most relevant to the Council. We are in the middle of developing a Sustainable Communities Strategy for the six-county region that helps meet the growth needs of the Sacramento region in a manner that reduces urban water consumption, greenhouse gas emissions, and other key metrics. For both communities within and outside the legal Delta, our strategy will provide direct and indirect economic and environmental benefits to the Delta. We will share our draft Sustainable Communities Strategy with you later this year, well in advance of the statutory requirement.

Our region needs clarity on these issues in order to continue moving forward with the progressive plans and programs we are implementing with a range of stakeholder groups to advance the coequal goals, and we are committed to working with you and others. Please let me know if you would like any additional information.

Sincerely,

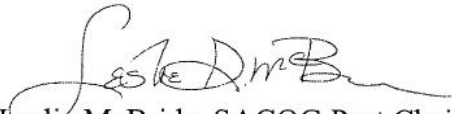
SACOG Strategic Planning Committee
(signatures on following page)




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